

Department of Planning and Budget

2014 Fiscal Impact Statement

1. Bill Number: HB1180

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron: Helsel

3. Committee: Passed Both Houses

4. Title: Fort Monroe Authority; powers and duties.

5. Summary: Removes the power of the Fort Monroe Authority (FMA) to exercise the powers of the Commonwealth over its Area of Operation, which consists of land acquired or to be acquired from the federal government by the Authority or the Commonwealth, but continues to allow the Authority to serve as the Commonwealth's management agent in such matters. The bill also authorizes the Board of Trustees of the Authority to (i) impose civil penalties for violations of regulations concerning the use of, access to, and visitation of property under its control and (ii) enter into agreements for the ownership and operation of utility services.

Additionally, the bill clarifies: (1) the role of FMA and the City of Hampton with respect to zoning and land use powers; (2) that FMA can sell real or personal property; and, (3) that FMA can own and operate utilities and can enter into agreements with public or private utilities for the ownership or operation of such utilities. Also, the bill ratifies the ownership of the Fort Monroe property being lawfully vested in the Commonwealth, as well as the roads and utilities.

Lastly, the bill removes the Secretary of Veterans Affairs and Homeland Security from the Board of Trustees of the Authority and adds the Lieutenant Governor to the Board.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Final. See item 8, below.

8. Fiscal Implications: The bill may have a revenue impact to FMA. Under the provisions of the bill, the Authority may impose civil penalties for violations of regulations concerning the use of, access to, and visitation of property under its control. Any revenue that this provision may generate is indeterminate and will depend on the number of violations.

The introduced budget bill for the 2014-2016 biennium (HB30/SB30) includes \$6.7 million in FY 2015 and \$5.5 million in FY 2016, from the general fund, for the Commonwealth's contribution toward the operating costs of FMA, and authorizes the issuance of \$22.5 million in bonds through the Virginia Public Building Authority for improvements to the Fort

Monroe property. As any revenue that may be generated from the civil fees proposed in the bill is indeterminate, a budget amendment to adjust the general fund support or bond proceeds included in the introduced budget bill (HB30/SB30) to reflect this new revenue is not necessary.

9. Specific Agency or Political Subdivisions Affected: Fort Monroe Authority, City of Hampton.

10. Technical Amendment Necessary: No.

11. Other Comments: In December 2013, Governor McDonnell approved the Fort Monroe Master Plan. The Master Plan focuses on a mixed use concept, combining adaptive reuse, new construction and open space. The plan features residential, retail/dining, hospitality, employment and institutional areas, along with enhanced public access to the waterfront and beach. The provisions of the bill will facilitate FMA's ability to convey property through sale or long-term ground lease. It is anticipated that the actions outlined in the Master Plan will facilitate FMA's ability to generate sufficient revenue to cover its operating costs in the future.

SB166 also addresses the powers and duties of the Fort Monroe Authority, and the membership of the Board of Trustees of the Authority.